VERNON M. JOHN
CERTIFIED PUBLIC ACCOUNTANT

Whole Earth Division of Portola Institute Financial Statement June 30, 1971 (Unaudited)

VERNON M. JOHN
CERTIFIED PUBLIC ACCOUNTANT

175 S. SAN ANTONIO ROAD
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Whole Earth Division of Portola Institute
Financial Statement
June 30, 1971
(Unaudited)

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Exhibit 1

Whole Earth Division of
Portola Institute
Balance Sheet
June 30, 1971
(Unaudited)

Assets

Current assets:		
Cash - Bank of California, commercial account		$ 25,822.60
- Bank of California, restricted account		45,939.41
- Wells Fargo Bank, savings accounts		1.00
- Bay View Federal Savings & Loan		100,808.54
Total		172,571.55
Accounts receivable, catalogue mail orders	$146,523.85	
Accounts receivable, other	10,351.15	
Advances, Whole Earth, Inc.	5,000.00	161,875.00
Inventories		85,720.21
Prepaid expenses		1,000.00
Printing deposits		40,000.00
Total current assets		461,166.76
Property and equipment:		
Furniture & equipment	8,932.39	
Less: Accumulated depreciation	924.50	8,007.89
Total Assets		$469,174.65

Liabilities and Capital

Current liabilities:		
Accounts payable, trade		$ 35,341.88
Payroll and sales taxes payable		3,099.59
Total liabilities		38,441.47
Capital:		
Surplus, June 1, 1970	$431,677.98	
Net (loss), Exhibit 2	(944.80)	430,733.18
Total Liabilities and Surplus		$469,174.65

This Balance Sheet as at June 30, 1971, and the accompanying Statement of Income were not audited by me, and accordingly, I cannot express an opinion of them.

PREPARED WITHOUT AUDIT

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Whole Earth Division of
Portola Institute
June 30, 1971

Footnote to Balance Sheet

The Internal Revenue Service is presently auditing Portola Institute's Whole Earth division regarding possible assessment of income taxes on net income from operations of its catalog department. Counsel for Portola Institute believes there will be no such income taxes due, however.

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Exhibit 2

Whole Earth Division of Portola Institute
Statement of Income and Surplus
June 1, 1971, to June 30, 1971
(Unaudited)

	Year to Date
Income:	
Mail order and store sales	$ 15,362.67
Catalogue sales	10,998.99
	26,361.66
Cost of sales:	
Mail order and store	17,691.82
Catalogues	8,783.30
	26,475.12
Gross (loss), Exhibit 3	(113.46)
General & administrative expenses, Exhibit 3	976.32
Net operating (loss) and surplus	(1,089.78)
Other income:	
Donations	50.95
Miscellaneous	94.03
	144.98
Net (Loss)	$ (944.80)

The accompanying Balance Sheet as at June 30, 1971, and this Statement of Income were not audited by me and, accordingly, I cannot express an opinion of them.

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Exhibit 3

Whole Earth Division of
Portola Institute
Statement of Departmental Income or Surplus
June 1, 1971 to June 30, 1971
(Unaudited)

	Mail Order Store Year to Date	Catalogues Year to Date
Income:		
Sales, less returns	$ 15,362.67	$ 10,998.99
Cost of sales:		
Salaries and wages	3,886.79	
Merchandise	10,754.25	
Printing		3,000.00
Distribution		5,515.36
Outside services	2,166.65	
Supplies & miscellaneous	30.00	
Depreciation	82.00	42.00
Travel & automobile expense	4.40	
Utilities	92.73	.94
Rent	675.00	225.00
	17,691.82	8,783.30
Gross profit (loss)	(2,329.15)	2,215.69
General & administrative expenses:		
Telephone	126.01	
Office supplies	72.70	
Taxes & licenses	39.47	
Insurance		
Legal & accounting	82.50	82.50
Donations		
Division charges		
In-house projects		
Receipts (over) and under	94.84	113.91
Repairs & miscellaneous	364.39	
	779.91	196.41
Net Increase or (Decrease) in Surplus	$(3,109.06)	$ 2,019.28

This statement has not been audited by me and, accordingly, I cannot express an opinion of it.

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Exhibit 4

Whole Earth Division of
Portola Institute
Source and Application of Funds
June 1, 1971, to June 30, 1971
(Unaudited)

Sources of funds:	
Decrease in working capital	$ 820.80
Application of funds:	
Loss from operations	$ 944.80
Less: Depreciation taken	124.00
Funds applied	$ 820.80

This Statement has not been audited by me and, accordingly, I cannot express an opinion of it.

PREPARED WITHOUT AUDIT